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Rewald Attorneys Silent on Short Defense

Only 8 Witnesses Called; Final Arguments Next Wednesday

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Ronald Rewald's defense attorneys walked back to their office yesterday shaking their heads and refusing to answer questions about their brief court offensive.

They had just rested their case after putting only eight witnesses on the stand, compared to more than 100 by the government. The early retirement of the defense case — some 40 people had been listed as witnesses — could add more controversy to the case.

Rewald supporters have complained that court rulings by U.S. Judge Harold Fong left the defense hamstrung. Fong made numerous rulings before and during Rewald's trial, specifying what areas attorneys on both sides could delve into.

Rewald is being tried on multiple fraud and perjury charges in connection with the demise of his investment company, Bishop, Baldwin, Rewald, Dillingham & Wong.

Judge Fong has limited the defense to bringing in only CIA evidence related to Rewald's claim that the agency set up and controlled his company and had control of investors' money.

FONG BARRED some defense witnesses from testifying and limited the testimony of others.

Other defense witnesses refused to testify, fearing they are or will be the targets of future prosecution. Government attorneys have said in hearings that the investigation is continuing into the activities of Bishop, Baldwin.

Federal Public Defender Michael Levine, in a surprising move, announced Wednesday that Rewald would not testify. In a case that shapes up to Rewald's word against the government's, Rewald was considered the key defense witness.

Defense attorneys, in another surprise yesterday, did not put on the witness stand the financial analysts who had spent months going over the Bishop Baldwin records.

Levine had hired Leonard Mednick, who advertises himself as the "IRS De-hasser," to investigate the tax charges facing Rewald. Levine also retained retired FBI agent Ed White, a financial expert, to help in the case. Both were hired in addition to Dirk Von Gunther, who had spent months reviewing Bishop, Baldwin financial records. None was called to the stand.

LEVINE SAID he did not call Mednick and White because Fong would not let them discuss the effect of an alleged \$10 million Taiwan arms deal Rewald claims was under way at the time the company collapsed.

Ted Greenberg, one of four prosecutors, argued yesterday that the defense's own witness, former consultant Capt. Edwin "Ned" Avary, said the arms deal was a fake. Greenberg also said that if there was an arms deal, it would have nothing to do with Rewald's tax liability.

AFTER FONG'S ruling on the arms matter, the jury was called into the courtroom at 10:15 a.m. "Your honor, ladies and gentlemen of the jury," Levine said. "The defense rests."

The government may put some rebuttal witnesses on the stand but Fong said it appeared closing arguments would begin Wednesday. The trial was to be held for a half-day today, because Fong has to sit as part of a three-judge panel hearing arguments in the city's recall election dispute. Monday is a holiday and Fong has reserved Tuesday to hear other cases.

Ironically, the defense rested just when it seemed to be gaining momentum. The questioning of former CIA field office chief Jack Rardin during two days produced the only major damage to the government's case during the 10-week trial.

Through Rardin, the defense introduced CIA documents showing the CIA suggested cover stories to Rewald to help him fight an IRS investigation of companies the CIA used as "light covers."

OTHER THAN Rardin, the defense witnesses did little to bolster Rewald's argument that the CIA set up and ran his company.

A brother-in-law of Rewald's said he thought Rewald worked for the CIA because Rewald had told him he did. He also said Rewald paid him \$82,000 a year to run a small Waimanalo ranch.

A Rewald receptionist said she allowed other women in the office to think she was Rewald's mistress. She also said she saw several prominent people enter the office.

Others testifying for the defense included Rewald's chauffeur and security guard and officials from the National Football League and the Federal Aviation Administration.